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Edited by the Staff

THE BUREAU OF BUSINESS RESEARCH

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The Trend of Business

BUSINESS OUTLOOK

NOTWITHSTANDING strikes and rumors of strikes, the general movements of trade and industry point in the direction of recovery. There will doubtless be some reaction and dullness during the summer months. The time required for recovery is related to the distance yet to be traversed. The decline of foreclosures and failures, increased employment, and a favorable volume of foreign and domestic trade are all indications of a continuation of the recovery from depression. The unemployment situation will continue to be a distressing problem and expenditures in this connection are regarded by many as a threat to recovery insofar as they are made from bond sales and an expanding public debt. There is, however, a fair prospect that these expenditures will not get so far out of hand as to bring wild inflation and repudiation. Taxation is a sounder source for relief funds that expanding debt, but the problem of relief is inescapable and should be met with a humane consideration of the present and future status of the unemployed.

THE February and March activity in industry has been maintained with some further advances in April and May. Employment in Ohio was 2 per cent higher in May than in April. The continuous increase in employment in Ohio from January through May has been of great importance in the recovery movement in the State. Moreover, the rapidity of this increase has been as great as it was reasonable to expect under the prevailing conditions. A reference to the employment charts on page 4 will show that this increase has been general and has been especially marked in the manufacturing industries of the State. In the automobile and automobile parts industries, in the metal products industries, in the stone, clay, and glass industries, in the tire and tube industry, and in the machinery industries, employment has advanced steadily since January and now stands several points above the previous high point reached in the fall of 1933.

This upward movement probably gives a more favorable picture of the present situation than the facts justify. A part of the continued activity in the iron and steel industry has been doubtless due to the expectation of the strike near the middle of June. The increase in foundry operations was arrested in May and there is a prospect of some decline in June. While the price of scrap usually declines in May, the decline from April this year was materially in excess of the usual seasonal movement. This decline in scrap has some forecasting value in indicating prospective activity in the iron and steel industry, and suggests some reaction in the iron and steel industry. The increased production and orders in the iron and steel industry are attributed also to the scheduled increase in steel prices July 1. The steel mills have attributed the activity more to the prospective rise in prices than to the strike threat which overhangs the industry. The increased orders have, however, been mainly in the areas which would be most affected by the strike and have applied to second quarter deliveries, according to the *Iron Age*. There are few orders for the third quarter.

There has been some decline in the orders of agricultural implement dealers on account of the drouth in the west. This has also affected tin plate demand unfavorably. The total production of automobiles in the United States declined sharply in May, the total decline from April being about 24 per cent in comparison with the usual decline of 1 per cent during the month. Steel orders from this source should show continuous seasonal decline to near the end of the year. The railroads and the shipbuilding industries have, however, been purchasers of steel in considerable volume as a result of orders placed during the past month. The construction industry ordered more steel tonnage in May than during any preceding month of the year.

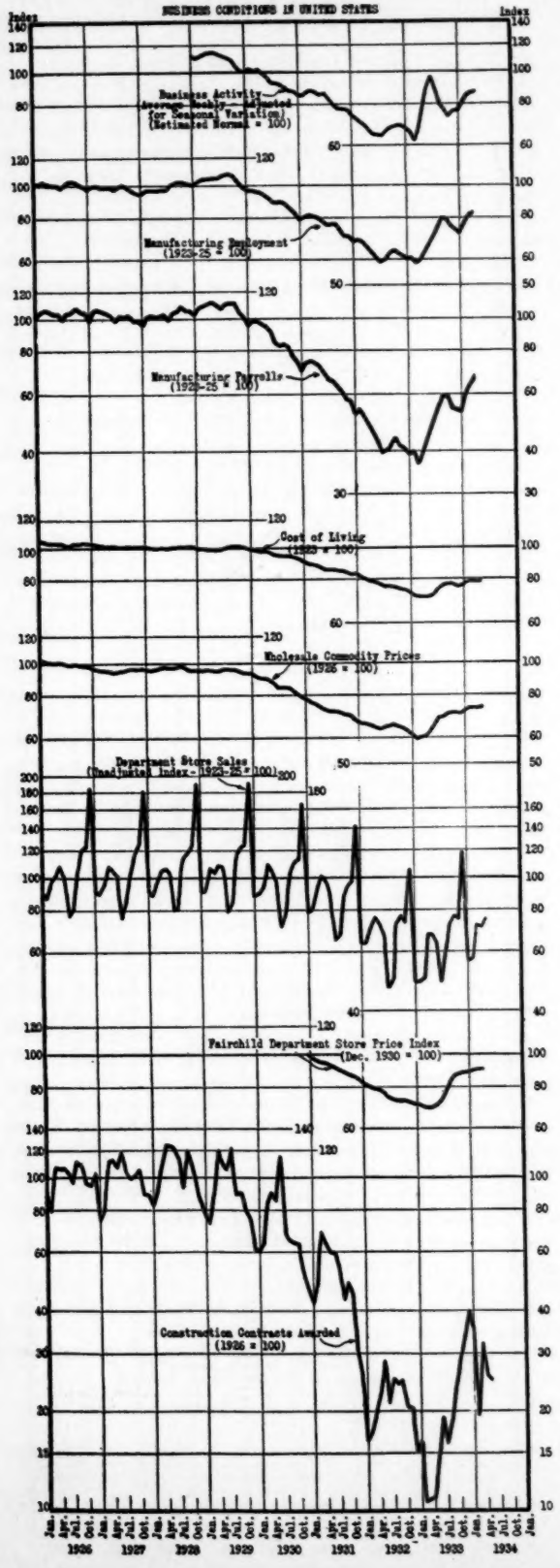
Pig iron production in the United States was 14 per cent higher in May than in April, and 130 per cent higher than in May, 1933. The production of steel in May was 7 per cent above the volume in April and 70 per cent higher than in May, 1933. There was also a large increase in the shipment of finished steel products in May as compared with April. These facts represent an impressive showing in regard to the extent of recovery from conditions prevailing a year ago. Even though there should be a 5 per cent reaction in production along with a decline in employment during the summer months the record would still be gratifying as to the general course of recovery.

Although there was a sharp reaction in automobile production in the United States in May, there was at the same time a greater-than-average increase in the registration of new car sales in Ohio. The drouth areas probably account for most of the unfavorable developments in the sale of cars.

Agricultural income in Ohio in May increased 11 per cent over April, although there is usually a slight decline in agricultural income in the period. The chief gains were in income from poultry and egg sales and from dairy products.

The volume of construction contracts awarded in the United States declined 2 per cent in May, whereas there is usually a small improvement in May as compared with April. There was, however, a more-than-seasonal improvement in building activity, the large decline being in public works and public utility construction. The building occupancy indexes in the various cities of the State in April show material improvement as compared with a year ago. Moreover, the decline in foreclosures in the industry and the rising tendency in rents are favorable indications as to the approach of improving volume of construction. It is not anticipated that there will be any large increase in the volume of construction in 1934 on account of the general scarcity of available funds in institutions which are lenders on first mortgage real estate security. This situation is, of course, in striking contrast to the excess reserves in commercial banks. The improvement in rents has, however, been slight, and it is not yet profitable to build in view of the continued pressure for the sale of a considerable volume of distress property.

CHART I



The sharp increase in department store sales in May both in the United States and in the Cleveland Federal Reserve District is in contrast with the usual decline from April in May. This increase, however, is a logical result of the increasing industrial employment since January, 1934. Department store prices were 1 per cent lower on May 1.

The volume of foreign trade continues to be materially in excess of that prevailing during the preceding year. While exports in April were 5.6 per cent less than those in March, the average decline in the period is 11.7 per cent. Exports for the first five months of 1934 were 61.3 per cent greater than during the same period in 1933. Imports in the same period have been 55.9 per cent above those of 1933. These data tend to confirm the view that there continues to be in progress a world recovery from depression at rates which are, on the whole, as rapid as could be expected considering the severity of the depression.

Probably the most unfavorable situation in the recovery movement is the general stagnation in the field of banking and credit. The volume of commercial loans by member banks has been steadily declining for the past six months. Although investment in U. S. Securities increased rapidly during this period, they have, during the past two months, shown practically no change. On the other hand, demand deposits and surplus reserves continue to increase. The reserves of member banks with Federal Reserve banks are 72 per cent higher than they were a year ago and demand deposits are 14 per cent higher. The Bureau of Business Research has accumulated material evidence during the past few months that there are many small manufacturers with orders which they are unable to fill because of their inability to borrow. The banks are said by some to be afraid to lend to these manufacturers because of the severe attitude of the federal bank examiners, even though, under ordinary circumstances, they might otherwise look favorably on a more liberal lending policy. If the bill to appropriate funds for loans to small industries is passed, there is evidence that there will be a demand for the money.

The stock market has fluctuated within a rather narrow range with small volume during the past month. The drouth and strike threats together with the prospect for some reaction in industrial production in the summer months have tended to discourage speculation. The new exchange regulation act has also discouraged speculation on thin margins, and this has also tended to reduce the current volume of transactions. Bond prices, on the other hand, have continued to rise while government bonds have been steady in price.

June 14, 1934. SPURGEON BELL, *Director*.

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TABLE I

SUMMARY OF U. S. BUSINESS STATISTICS

Item	Latest Data	Change from Month Ago	Aver. Change from Month Ago 1929-33	Change from Year Ago	Year to-Date Change from Year Ago
Weekly Business Indices—Four Week Totals Ended on Indicated Dates					
Business Activity—*N. Y. Times Index*[1] 6/2/34	85.6	— 2%	—	+ 8%	+ 19%
Bank Debits[2]—U. S. outside N. Y. City, 6/6/34	12,659	— 7	— 9%	+ 21	—
Auto Production[3] 6/2/34	285,321	— 24	— 1	+ 42	+ 80
Elec. Power Prod.[4] 6/2/34	6,524	— 2	— 1	+ 10	+ 13
Freight Car Load.[5] 6/2/34	24,164	+ 2	— 1	+ 14	+ 17
No. Com. Failures[6] 5/31/34	875	— 15	— 6	— 49	— 51
Indices of Employment and Payrolls[7]—April, 1934. 1923-25=100					
Manuf. Employment, U. S.	82.3	+ 2	0	+ 37	+ 31
Manuf. Payrolls, U. S.	67.3	+ 4	— 1	+ 73	+ 59
Indices of Retail Trade[8]—May, 1934. 1923-25=100					
Department Store Sales—					
United States	75	+ 4	— 3	+ 12	+ 19
Cleveland Fed. Res. Dist.	76	+ 10	— 6	+ 25	+ 29
Indices of Prices and Cost of Living					
May, 1934					
Wholesale Commodity Prices[7] 1926=100	73.6	0	—	+ 17	+ 20
Ret. Food Prices[7] 1926=100	67.6	+ 1	—	+ 16	+ 17
Cost of Living Index[10] 1923=100	78.6	0	—	+ 9	+ 8
April, 1934					
Department Stores Price Index[9] (Dec., 1930=100	89.4	— 1	—	+ 29	+ 28
Iron and Steel Conditions[11]—May, 1934					
Composite Prices:					
Finished Steel (per lb.)	$ .02222	+ 7	0	+ 18	+ 9
Pig Iron (per ton)	17.90	+ 5	0	+ 23	+ 24
Heavy Melting Scrap (per ton)	11.59	— 8	— 5	+ 19	+ 58
Pig Iron Production (Average Daily—tons)	65,900	+ 14	— 1	+130	+148
Steel Production (Average Daily—tons)	125,807	+ 7	— 4	+ 70	+110
Shipments of Finished Steel Products (United States Steel Corporation—tons)	745,063	+ 16	—	+ 64	+ 67
Construction Contracts Awarded—37 Eastern States[12]—May, 1934 (Average Daily Value in Thousands of Dollars)					
Total Construction	$5,171.0	— 2	+ 5	+ 74	+117
Total Building	2,986.3	+ 22	+ 5	+ 34	+ 53
Residential	955.7	+ 5	— 6	— 6	+ 22
Non-Residential	2,030.7	+ 31	+ 13	+ 67	+ 73
Public Works and Utilities	2,184.7	— 22	+ 7	+199	+245
Federal Reserve Bank and Member Bank Items[2]—June 6, 1934					
Federal Reserve Banks:					
Investments in U.S. Gov. Securities	$2,430.2	0	—	+ 27	+ 32
Bills Bought in Open Mkt.	5.2	— 37	—	— 54	— 68
Member Banks' Redisc.	29.0	— 24	—	— 90	— 88
Reserve Ratio	69.3%	+ 1	—	+ 2	+ 7
Reporting Member Banks:					
Loans on Securities	$ 3,557	— 1	—	— 5	— 4
Loans—All Others	4,540	0	—	— 5	— 3
Invest. U.S. Gov. Secur.	6,276	0	—	+ 25	+ 25
Investments—All Others	3,024	— 2	—	+ 2	+ 1
Reserve with F. R. Bank	2,808	+ 9	—	+ 72	+ 47
Cash in Vault	243	+ 5	—	+ 25	— 10
Net Demand Deposits	12,499	+ 2	—	+ 14	+ 12
Time Deposits	4,439	0	—	+ 4	0
Government Deposits	955	— 9	—	+428	+410
Loans to Brokers by N.Y. City Member Banks	997	+ 2	—	+ 43	+ 90
New York Federal Reserve Rediscount Rate	1½%	0	—	— 40	— 44
Money and Gold:					
Money in Circulation	5,342	0	—	— 3	— 8
Monetary Gold Stock	7,790	0	—	+ 93	+ 70
Interest Rates[13]—June 9, 1934					
Call Money—Range	1%	0	—	0	— 37
Time Money (60-90 Days)	1-1%	0	—	0	— 28
Com. Paper (4-6 Months)	1%	— 20	—	— 47	— 37
Indices of Stock and Bond Prices[14]—June 6, 1934					
Stocks— 1926 Aver.=100					
421 Combined	71.7	— 1	—	— 2	+ 46
351 Industrials	79.5	— 1	—	+ 6	+ 63
33 Rails	42.9	— 1	—	0	+ 52
37 Utilities	69.9	+ 1	—	— 25	— 2
Bonds—$ per $100 Bond:					
60 Bonds	98.1	+ 3	—	+ 13	+ 16
U. S. Govt. Bonds	105.7	0	—	+ 2	+ 1

Bank Loans and Investments in the Cleveland Federal Reserve District

TOTAL loans and investments of Federal Reserve reporting member banks in the Cleveland District have increased fairly steadily since May, 1933, although the amount of the month-to-month increase has not been very great. In May, 1934, total loans and investments were about $75,000,000 greater than in January, 1934—an increase of 6.8 per cent for the Cleveland District as compared with an increase of 4.9 per cent for all reporting member banks in 91 cities.

Practically all of the increase in the total of loans and investments of the member banks in this district has been due to the increased investments of the banks in government securities, rather than to any expansion in loans for financing business and industry, or the investment of bank reserves in other than government securities.

TABLE II

LOANS AND INVESTMENTS OF FEDERAL RESERVE REPORTING MEMBER BANKS—CLEVELAND FEDERAL RESERVE DISTRICT

(Weekly Average Value in Millions of Dollars)

Source: U. S. Federal Reserve Board

Year and Month	Total Loans and Investments	Loans on Securities	All Other Loans	Total Investments	Investments in U. S. Government Securities
1933					
May	$1,095	$240	$248	$607	$396
June	1,106	237	245	624	412
July	1,107	234	240	633	425
August	1,114	235	235	644	438
September	1,115	230	235	650	446
October	1,117	229	233	655	453
November	1,119	225	231	663	462
December	1,108	223	228	657	457
1934					
January	1,098	218	223	657	459
February	1,131	213	218	700	504
March	1,142	211	221	710	514
April	1,162	209	226	727	533
May	1,173	203	223	747	552

During the 13 months ending May, 1934, there was no expansion in the total of loans for financing business and industry, the total of such loans in May, 1934, being about $25,000,000 less than in May, 1933. The low point for this class of loans—"all other loans"—was recorded in February, 1934. Since that date some expansion has occurred, but at the end of May these loans amounted to only about $5,000,000 more than in February.

Investments in other than government securities, likewise, have declined steadily throughout the period since June, 1933. The total of such investments in May, 1934, was about $16,000,000 less than in May, 1933. Although there has been some slight expansion in business loans since February of this year, there has been no expansion during this period in the investments of banks in any other than government securities.

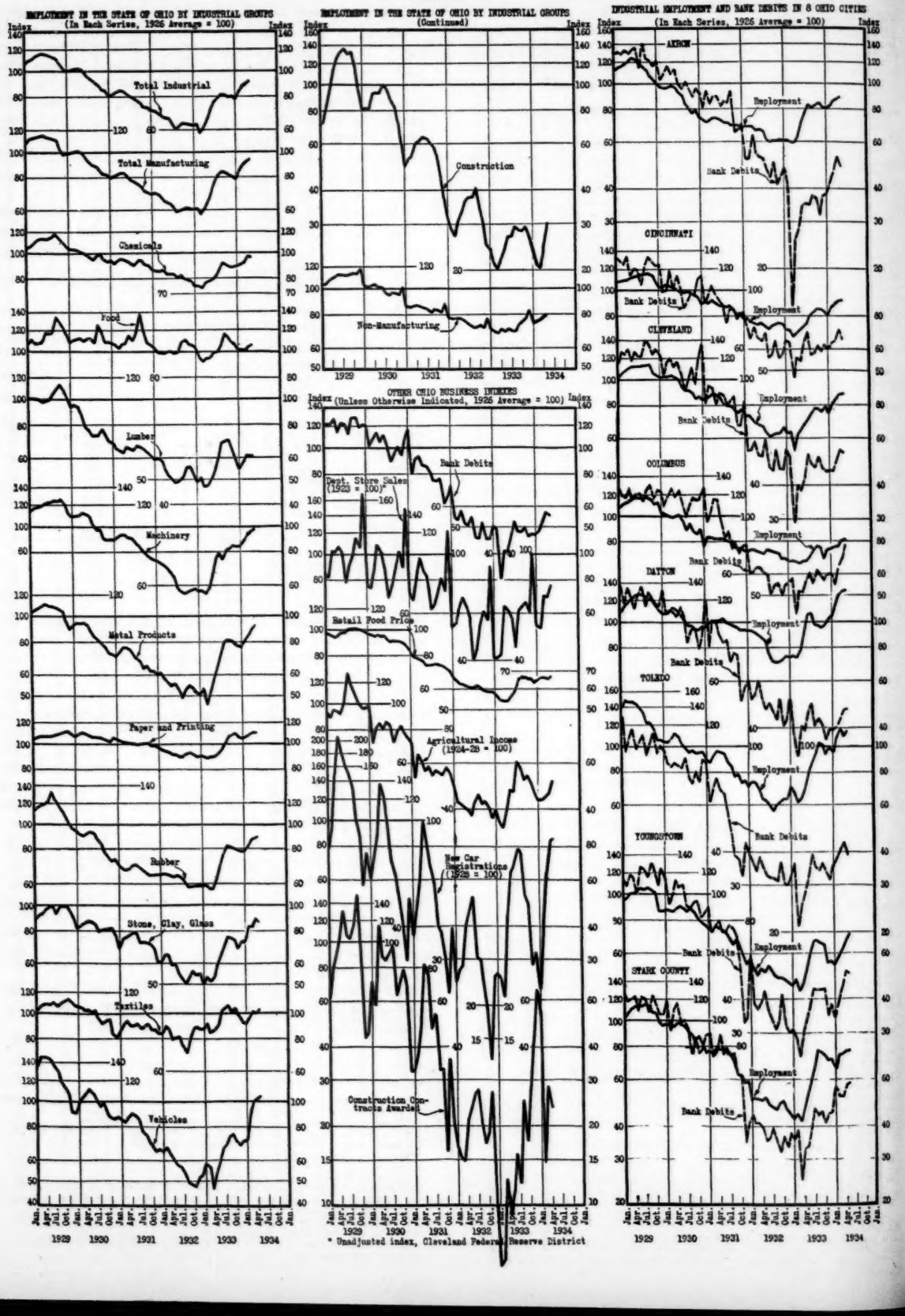
The investment in government securities in May of this year was $156,000,000 greater than in May, 1933—an increase of slightly more than 39 per cent.

V. B.

Footnotes to Table I, Column 1.

[1] Four-week average. Estimated normal=100. Source: *The Annalist.*
[2] In millions of dollars. Source: Federal Reserve Board.
[3] Number of cars. Source: *Cram's Automotive Reports.*
[4] Millions of kilowatt hours. Source: The Edison Electric Institute.
[5] Thousands of Cars. Source: American Railway Association.
[6] Source: *Dun-Bradstreet.*
[7] Source: U. S. Department of Labor.
[8] Source: Federal Reserve Board.
[9] Fairchild Price Index. The index as of the first of each month is treated here as representing conditions for the previous month.
[10] National Industrial Conference Board.
[11] Sources: *Iron Age,* and *Steel.*
[12] Source: F. W. Dodge Corporation.
[13] *New York Times.*
[14] Standard Statistics.

CHART II


EMPLOYMENT IN THE STATE OF OHIO BY INDUSTRIAL GROUPS
(In Each Series, 1926 Average = 100)
Total Industrial
Total Manufacturing
Chemicals
Food
Lumber
Machinery
Metal Products
Paper and Printing
Rubber
Stone, Clay, Glass
Textiles
Vehicles
EMPLOYMENT IN THE STATE OF OHIO BY INDUSTRIAL GROUPS
(Continued)
Construction
Non-Manufacturing
OTHER OHIO BUSINESS INDEXES
(Unless Otherwise Indicated, 1926 Average = 100)
Bank Debits
Dept. Store Sales (1923 = 100)*
Retail Food Price
Agricultural Income (1924-28 = 100)
New Car Registrations (1926 = 100)
Construction Contracts Awarded
* Unadjusted index, Cleveland Federal Reserve District
INDUSTRIAL EMPLOYMENT AND BANK DEBITS IN 8 OHIO CITIES
(In Each Series, 1926 Average = 100)
AKRON
Employment
Bank Debits
CINCINNATI
CLEVELAND
COLUMBUS
DAYTON
TOLEDO
YOUNGSTOWN
STARK COUNTY
1929
1930
1931
1932
1933
1934

Business Conditions in Ohio

EMPLOYMENT in Ohio in May increased 2 per cent from April, making the fourth consecutive month in which an increase from the previous month has occurred. Employment in May was almost 39 per cent greater than in May, 1933, and was 56 per cent above the low point of March, 1933, and 12 per cent above the previous high point reached last September.

As in previous months, the bulk of the gain was due to increases in manufacturing employment. Non-manufacturing employment gained only fractionally from April, and the actual increase in construction employment was small although the percentage increase was substantial.

Seven of the 11 major manufacturing groups of industries contributed to the May increase from April. Three groups—the chemicals, the lumber products, and the paper and printing groups—reported no change, and one group—stone, clay, and glass products—declined 4 per cent from April. All of the major manufacturing groups continued to show substantial increases from the corresponding month of last year. These gains ranged from 10.9 per cent in the food products group to 75.7 per cent in the vehicles group.

The volume of bank debits in the State in May declined 3 per cent from April, but was 34 per cent above May, 1933, and for the first five months of this year averaged 20 per cent above the corresponding month of 1933. The May decline in bank debits was less than the average May decline of 8 per cent, indicating a seasonal improvement. Gross cash agricultural income from five important sources in Ohio increased 11 per cent in May from April, in contrast with an average May decline of 3 per cent during the past five years. Gross income from these sources was 6 per cent greater than in May, 1933, and for the first five months of this year has averaged 17 per cent above the same period of last year.

Room occupancy in Ohio hotels remained substantially unchanged in May from April at 49 per cent of capacity, which represents an increase of 18 per cent from the corresponding month of last year. Room receipts increased 1 per cent from April, but food receipts declined 5 per cent. As compared with May, 1933, however, room receipts showed a gain of 21 per cent and food receipts a gain of 61 per cent.

TABLE III
NEW PASSENGER AUTOMOBILE BILL-OF-SALE REGISTRATIONS

Make of Car	Seven Major Ohio Counties[1]						U.S.[2]
	Number of Cars		Per Cent Change May, 1934 from April, 1934	Per Cent Change May, 1934 from May, 1933	Per Cent of Total May, 1934	Per Cent of Total April, 1934	Per Cent of Total April, 1934
	Apr., 1934	May, 1934					
Ford	2,519	2,706	+ 7	+ 164	30.3	28.8	27.0
Chevrolet	2,145	2,076	— 3	+ 7	23.2	24.5	28.5
Plymouth	1,465	1,549	+ 6	+ 3	17.3	16.7	15.6
Oldsmobile	440	427	— 3	+ 159	4.8	5.0	4.0
Dodge	450	372	— 17	— 29	4.2	5.1	5.3
Pontiac	392	361	— 8	— 9	4.0	4.5	4.4
Terraplane	231	278	+ 20	+ 66	3.1	2.6	2.5
Buick	259	179	— 31	— 13	2.0	3.0	3.0
Chrysler	150	154	+ 3	— 15	1.7	1.7	1.6
Studebaker	145	154	+ 6	0	1.7	1.7	2.3
Hudson	87	123	+ 41	+ 583	1.4	1.0	1.4
Nash-LaFayette	48	95	+ 98	+ 126	1.0	0.5	0.8
DeSoto	75	85	+ 13	— 27	1.0	0.9	0.6
Graham	100	77	— 23	+ 54	0.9	1.1	0.9
Willys	51	62	+ 22	— 85	0.7	0.6	0.2
Group Total	8,557	8,698	+ 2	—	97.3	97.7	98.1
All Others	205	238	+ 16	—	2.7	2.3	1.9
GRAND TOTAL	8,762	8,936	+ 2	+ 24	100.0	100.0	100.0

[1] Source: Actual registrations secured from the Cleveland Automobile Manufacturers' and Dealers' Association, Toledo Automotive Trades Association, and Clerks of Courts. Counties included in tabulation: Cuyahoga, Franklin, Hamilton, Lucas, Mahoning, Montgomery and Summit.
[2] Based on reports by R. L. Polk & Company, covering 40 states and District of Columbia.

TABLE IV
SUMMARY OF BUSINESS STATISTICS FOR OHIO

Item	Latest Data	Change from Last Month	Aver. Change from Last Month 1929-33	Change from Last Year	Year to-Date Change from Last Year
Employment Indices,[1] May, 1934. 1926 Average=100					
ALL INDUSTRIES (745)[2]	92	+ 2%	0	+ 39%	+ 38%
Total Manufacturing (564)	94	+ 2	0	+ 43	+ 44
Chemicals (18)	96	0	— 1%	+ 28	+ 23
Food Products (48)	105	+ 1	+ 2	+ 11	+ 8
Bakery (32)	116	+ 3	+ 2	+ 14	+ 11
Miscellaneous (16)	101	0	+ 2	+ 8	+ 7
Lumber Products (29)	60	0	— 1	+ 22	+ 22
Furniture (16)	63	— 1	0	+ 25	+ 22
Miscellaneous (13)	62	0	— 2	+ 19	+ 20
Machinery (96)	99	+ 4	0	+ 50	+ 55
Elec. Mach. App. and Supplies (24)	159	+ 3	+ 1	+ 46	+ 60
Machine Tools (18)	70	+ 1	0	+122	+108
Material Handling & Power Machinery (12)	60	+ 9	+ 1	+ 63	+ 47
Spec. Purpose Mach. and Appliances (42)	78	+ 5	— 1	+ 38	+ 40
Metal Products (137)	92	+ 3	0	+ 56	+ 61
Foundry Prod. and Drop Forgings (33)	99	0	+ 1	+ 96	+ 89
Pipes, Pumps, Valves, and Plumbers' Sup. (17)	56	+ 5	+ 1	+ 31	+ 37
Screw Machine Products & Hardware (17)	88	— 1	0	+ 56	+ 50
Sheet Metal Works (17)	105	— 1	+ 2	+ 42	+ 44
Steel Works and Rolling Mills (10)	105	+ 6	0	+ 81	+ 88
Stoves and Furnaces (10)	101	+ 6	+ 1	+ 53	+ 44
Miscellaneous (33)	95	+ 1	— 1	+ 34	+ 37
Paper and Printing (44)	111	0	0	+ 25	+ 22
Paper, Inc. Sta. (7)	114	0	0	+ 30	+ 27
Printing and Pub. (26)	107	0	— 1	+ 14	+ 11
Miscellaneous (11)	109	0	— 1	+ 37	+ 38
Rubber Products (18)	88	+ 1	+ 2	+ 42	+ 43
Tires and Tubes (8)	86	+ 1	+ 2	+ 41	+ 42
Miscellaneous (10)	115	— 1	+ 2	+ 56	+ 61
Stone, Clay and Glass Products (54)	86	— 4	+ 2	+ 45	+ 55
Brick and Tile (26)	28	+ 4	+ 6	+ 5	+ 8
Glass (8)	250	— 2	+ 3	+ 74	+ 82
Vitreous & Semi-vitreous China and Pot. (8)	76	— 1	— 3	+ 24	+ 34
Miscellaneous (12)	50	— 17	+ 4	+ 24	+ 48
Textiles (41)	103	+ 3	0	+ 16	+ 13
Men's Clothing (16)	122	0	— 2	+ 21	+ 16
Miscellaneous (25)	93	+ 6	+ 3	+ 12	+ 12
Vehicles (42)	104	+ 3	— 2	+ 76	+ 71
Autos and Parts (34)	123	0	— 3	+ 84	+ 82
Cars, Steam & St. Ry. (3)	26	+ 18	0	+ 37	+ 15
Miscellaneous (5)	70	+256	+ 4	+131	+ 10
Misc. Manufacturing (37)	98	+ 6	0	+ 11	+ 7
Non-Manufacturing (68)	80	+ 1	— 2	+ 15	+ 11
Service (30)	96	+ 1	0	+ 6	+ 2
Trade (Ret. & Whal.) (22)	101	0	— 2	+ 25	+ 22
Trans. & Pub. Util. (16)	74	+ 1	0	+ 8	+ 3
Construction (113)	30	+ 23	+ 6	+ 26	+ 7
General Contracting (63)	16	+ 14	+ 4	— 6	— 11
St., Rd. & Sew. Work (14)	116	+121	+ 51	+289	+175
Miscellaneous (36)	50	+ 7	+ 3	+ 8	+ 3
Hotel Business, May, 1934.[1] 1929 Average Daily Value=100					
Per Cent of Rooms Occupied	49%	0	—	+ 18	+ 21
Average Rate Per Room	$2.32	+ 2	—	+ 3	0
Index of Room Receipts	52	+ 1	—	+ 21	+ 20
Index of Food Receipts	58	— 5	—	+ 61	+ 70
Index of Gross Cash Agr. Income,[3] May, 1934. 1924-28 Average=100					
Total	51	+ 11	— 3	+ 6	+ 17
Meat Animals	43	— 2	— 7	— 10	— 3
Dairy Products	62	+ 13	+ 4	+ 15	+ 23
Grains	29	+ 7	+ 4	+ 7	+ 61
Poultry and Eggs	60	+ 18	+ 4	+ 18	+ 19
Potatoes	6	0	0	+ 20	+ 35
Other Ohio Business Indicators, 1926 Average=100					
Index of— May, 1934					
Bank Debits[4]	55	— 3	— 8	+ 34	+ 20
Retail Food Prices[4]	67	+ 1	—	+ 19	+ 21
Number of New Car Bills of Sale Filed:[5]					
Passenger Cars	13,928	+ 2	— 5	+ 32	—
Trucks	1,806	— 4	—	+ 98	—
Commercial Failures:					
Number	45	— 16*	—	—	—
Liabilities (Thous. of Dol.)	1,377.0	— 46	—	—	—
Index of— April, 1934					
Value of Construction Contracts Awarded[7]	24	— 16	+ 11	+157	+249
Power Production[8]	123	— 4	— 2	+ 22	+ 23
Wholesale Grocery Sales[1]	59	— 11	+ 3	+ 17	+ 28
Whal. Groc. Food Prices[1]	74	— 2	—	+ 17	+ 24

* Change in number of failures.
[1] Based on reports from individual cooperators.
[2] Figures in parenthesis indicate the number of reporting firms.
[3] Source: Agricultural Experiment Station.
[4] Source: U. S. Bureau of Labor Statistics.
[5] Average daily value. Source: Federal Reserve Board.
[6] Source: Clerks of Courts of various Ohio counties.
[7] Average daily value. Source: *F. W. Dodge Corp.*
[8] Source: *U. S. Geological Survey.*

TABLE V

BUSINESS CONDITIONS IN THE CHIEF OHIO CITIES

(In all Indexes, 1926 Average=100)

Item	Latest Data	Change from Last Month	Aver. Change from Last Month 1929-33	Change from Last Year	Year to-Date Change from Last Year
AKRON					
Employment Indices: May,	1934				
All Industries (34)[1]	89	+ 2%	+ 1%	+ 41%	+ 39%
Manufacturing (23)	88	+ 2	+ 1	+ 39	+ 39
Non-Manufacturing (3)	66	+ 10	— 1	+ 42	+ 23
Construction (8)	36	+ 20	+ 20	+167	+ 75
Number of New Car Bills of Sale Filed:					
Passenger Cars	1,144	+ 9	+ 6	+ 69	+150
Trucks	111	— 12	—	+ 98	+207
Bank Debits Index**	48	— 8	— 1	+ 71	+ 47
Commercial Failures:					
Number	1	0	—	0	— 15*
Liabilities (Thous. Dol.)	51.9	+225	—	(a)	— 98
Industrial Power Apr.,	1934				
Consumption Index**	54	+ 8	+ 23	+ 29	+ 39
Building Occupancy Index	119.8	+ 1.2	+ 0.3	+ 5.7	+ 4.3
Value of Construction Contracts Awarded Index**	6	— 26	+ 53	(a)	+515
CINCINNATI					
Employment Indices: May,	1934				
All Industries (108)	92	+ 1	— 1	+ 30	+ 26
Manufacturing (77)	102	+ 2	— 1	+ 46	+ 40
Non-Manufact. (15)	87	0	— 1	+ 9	+ 6
Construction (16)	11	— 16	+ 7	— 35	— 16
Retail Food Price Index	67	+ 1	—	+ 18	+ 17
Number of New Car Bills of Sale Filed:					
Passenger Cars	1,223	— 11	+ 1	— 24	+ 11
Trucks	186	+ 3	—	+ 49	+ 48
Bank Debits Index**	65	— 8	— 11	+ 20	+ 13
Commercial Failures:					
Number	6	+ 1*	—	— 1*	—
Liabilities (Thous. Dol.)	138.7	+ 14	—	— 78	—
Apr.,	1934				
Building Occupancy Index	95.2	+ 0.4	—	+ 5.3	+ 3.8
Value of Construction Contracts Awarded Index**	21	— 2	+ 12	+ 54	+ 42
CLEVELAND					
Employment Indices: May,	1934				
All Industries (139)	89	0	0	+ 37	+ 35
Manufacturing (101)	95	+ 1	0	+ 45	+ 43
Non-Manufact. (12)	69	— 1	— 2	+ 13	+ 9
Construction (26)	29	+ 24	+ 6	+ 7	+ 3
Retail Food Price Index	66	+ 1	—	+ 21	+ 22
Number of New Car Bills of Sale Filed:					
Passenger Cars	3,540	+ 9	— 7	+ 34	+ 62
Trucks	353	— 4	—	+ 93	+157
Bank Debits Index**	53	— 3	— 9	+ 35	+ 15
Commercial Failures:					
Number	8	— 10*	—	— 22*	—
Liabilities (Thous. Dol.)	108.3	— 70	—	— 90	—
Apr.,	1934				
Building Occupancy Index	95.8	+ 0.3	+ 0.2	+ 0.1	0
Value of Construction Contracts Awarded Index**	8	+ 16	— 23	+ 8	+ 48
COLUMBUS					
Employment Indices: May,	1934				
All Industries (50)	82	+ 3	+ 1	+ 21	+ 15
Manufacturing (40)	83	+ 3	+ 1	+ 24	+ 17
Non-Manufacturing (3)	77	+ 2	+ 1	+ 17	+ 14
Construction (7)	17	— 9	+ 15	— 41	— 37
Retail Food Price Index	68	+ 2	—	+ 19	+ 22
Number of New Car Bills of Sale Filed:					
Passenger Cars	935	— 5	— 13	+ 17	+ 41
Trucks	161	+ 15	—	+112	+146
Bank Debits Index**	77	+ 13	— 2	+ 48	+ 24
Apr.,	1934				
Building Occupancy Index	112.0	0	— 0.2	+ 3.5	+ 2.4
Value of Construction Contracts Awarded Index**	20	+729	— 29	+586	— 46
DAYTON					
Employment Indices: May,	1934				
All Industries (47)	132	+ 1	+ 1	+ 44	+ 55
Manufacturing (30)	142	+ 1	+ 2	+ 48	+ 61
Non-Manufacturing (5)	96	— 1	— 2	+ 16	+ 17
Construction (12)	7	+ 21	— 4	+ 28	— 30
Number of New Car Bills of Sale Filed:					
Passenger Cars	605	— 9	— 18	+ 5	+ 36
Trucks	84	— 24	—	+190	+224
Bank Debits Index**	47	+ 1	— 8	+ 20	+ 8
Commercial Failures:					
Number	2	— 4*	—	— 2*	— 18*
Liabilities (Thous. Dol.)	26.5	— 88	—	— 65	— 61
Industrial Power Apr.,	1934				
Consumption Index**	151	+ 16	+ 7	+ 43	+ 49
Value of Construction Contracts Awarded Index**	10	+ 32	— 12	+225	+167

Item	Latest Data	Change from Last Month	Aver. Change from Last Month 1929-33	Change from Last Year	Year to-Date Change from Last Year
TOLEDO					
Employment Indices: May,	1934				
All Industries (46)	115	+ 5%	— 2%	+ 64%	+ 64%
Manufacturing (36)	129	+ 5	— 3	+ 79	+ 82
Non-Manufacturing (4)	88	+ 3	0	+ 30	+ 26
Construction (6)	2	+ 39	— 6	— 70	— 73
Number of New Car Bills of Sale Filed:					
Passenger Cars	1,015	+ 3	+ 3	+ 82	+110
Trucks	76	— 25	—	+ 62	+151
Bank Debits Index**	39	— 11	— 7	+ 36	+ 36
Commercial Failures:					
Number	5	0	—	— 10*	— 22*
Liabilities (Thous. Dol.)	742.0	(a)	—	+ 54	— 56
Industrial Power Apr.,	1934				
Consumption Index**	144	+ 7	+ 2	+ 44	+ 28
Value of Construction Contracts Awarded Index**	18	— 69	— 2	— 36	+ 49
YOUNGSTOWN					
Employment Indices: May,	1934				
All Industries (21)	71	+ 9	+ 2	+ 35	+ 31
Manufacturing (14)	67	+ 9	+ 2	+ 36	+ 33
Construction (5)	42	+ 38	+ 9	+ 13	+ 35
Number of New Car Bills of Sale Filed:					
Passenger Cars	474	+ 3	— 2	+ 39	+ 94
Trucks	82	+ 34	—	+290	+189
Bank Debits Index**	50	— 2	— 1	+ 46	+ 47
Commercial Failures:					
Number	3	+ 3*	—	0	0
Liabilities (Thous. Dol.)	12.8	(a)	—	+ 98	— 59
Industrial Power Apr.,	1934				
Consumption Index**	84	+ 2	— 1	+ 79	+ 75
Building Occupancy Index	110.1	+ 0.7	+ 0.2	+ 4.6	+ 4.1
Value of Construction Contracts Awarded Index**	4	+ 57	+ 51	— 24	+ 27
CANTON (Stark County)					
Employment Indices: May,	1934				
All Industries (35)	78	+ 1	+ 2	+ 46	+ 62
Manufacturing (25)	81	— 1	+ 2	+ 49	+ 69
Non-Mnufacturing (4)	79	+ 2	— 2	+ 17	+ 13
Construction (6)	68	+412	+ 29	+323	+ 91
Number of New Car Bills of Sale Filed:					
Passenger Cars	630	+ 2	— 9	+ 86	+141
Trucks	92	+ 2	—	+149	+243
Bank Debits Index**	58	+ 1	— 12	+ 72	+ 67
Commercial Failures:					
Number	0	— 4*	—	— 4*	—
Liabilities (Thous. Dol.)	0	—100	—	—100	—
Apr.,	1934				
Building Occupancy Index	101.9	+ 1.0	+ 0.2	+ 5.0	+ 4.4
Value of Construction Contracts Awarded Index**	7	+229	+305	+590	+558
OHIO OTHER THAN EIGHT CHIEF CITIES					
Employment Indices: May,	1934				
All Industries (265)	89	+ 2	0	+ 41	+ 40
Manufacturing (218)	87	+ 2	— 1	+ 41	+ 43
Construction (27)	103	+ 27	+ 16	+ 93	+ 42
Number of New Car Bills of Sale Filed:					
Passenger Cars	4,362	+ 1	— 3	+ 46	—
Trucks	661	— 6	—	+ 96	—
Bank Debits Index**	50	0	— 5	+ 33	+ 28
Apr.	1934				
Value of Construction Contracts Awarded Index**	36	— 21	+ 41	+264	+557

[1] Figures in parenthesis indicate number of reporting firms.
* Change in number of failures.
** Average Daily Values.
(a) Over 1000% increase.

SOURCES:

Employment data based on reports from individual cooperators.

New car bills of sale filed as reported by clerks of courts of counties indicated.

Bank debits as reported by the Federal Reserve Board.

Industrial power consumption data secured from local power companies.

Building occupancy, as indicated by the number of gas meters in use. Source: Local gas companies.

Construction contracts awarded as reported by F. W. Dodge Corporation.

Retail food prices as reported by U. S. Bureau of Labor Statistics.

Commercial failures as reported by *Dun-Bradstreet*.

Business Conditions in the Chief Ohio Cities

AKRON

Employment gained 2 per cent in May from April and 41 per cent from May, 1933. All types of employment contributed to the increase. New passenger-car sales increased 9 per cent in May from April and were 69 per cent greater than in May, 1933. The decrease of 8 per cent in bank debits in May from April was greater than the average May decrease, but the total for the month was substantially above the same month of last year. Industrial power consumption gained 8 per cent in April, following the March decline, and the April total was 29 per cent above April, 1933. The value of construction contracts awarded showed further decline during April.

CINCINNATI

The 1 per cent increase in employment in May was due entirely to increases in manufacturing employment. Non-manufacturing employment remained unchanged from April and construction employment declined 16 per cent. Both manufacturing and non-manufacturing employment were well above the level of May, 1933, but construction employment was considerably below. New passenger-car sales dropped 11 per cent in May from April and the May total was 24 per cent below May, 1933. For the year to date, however, passenger-car sales have averaged 11 per cent above the corresponding period of last year. The May decline in bank debits was slightly less than the average May decline, and the total volume was substantially above the total for the same month of last year. Building occupancy gained slightly in April from March. Retail food prices increased 1 per cent from April and were 18 per cent above May, 1933.

CLEVELAND

Total employment in Cleveland remained substantially unchanged in May from April. Although there was a gain of 1 per cent in manufacturing employment and of 24 per cent in construction employment, the decline in non-manufacturing employment was sufficient to offset these gains. May employment, however, was 37 per cent above May, 1933. New passenger-car sales increased 9 per cent in May from April, and 34 per cent from May, 1933. For the first five months of this year, new passenger-car sales were 62 per cent above the corresponding period of last year. The 3 per cent decline in bank debits in May from April was less than the average decline of 9 per cent, and the total volume for the month was well above the same month of last year. Retail food prices rose 1 per cent from the previous month and were 21 per cent above May, 1933. The value of construction contracts awarded continued to gain.

COLUMBUS

The 3 per cent gain in employment in May from April was due to increases of 3 per cent and 2 per cent, respectively, in manufacturing and non-manufacturing employment. Construction employment declined 9 per cent. The May total was 21 per cent above May, 1933, and the total for the first five months of this year was 15 per cent above the corresponding period of last year. Retail food prices in May averaged 22 per cent above the corresponding period of 1933. The 5 per cent decline in new passenger-automobile sales was less than the average May decline, and the total sales for the month were 17 per cent above May, 1933. Bank debits increased more than average in May from April and were 48 per cent above May, 1933. Building occupancy remained unchanged in April from the previous month and gained only 3.5 per cent from the same month of last year. The value of construction contracts awarded increased during April.

DAYTON

The increases in manufacturing and construction employment outweighed the decline in non-monufacturing employment and resulted in a gain of 1 per cent in the total for the month of May, which was 44 per cent greater than the total for the same month of last year. The 9 per cent decline in new passenger-automobile sales was less than the average May decline of 18 per cent, and the total for the month was 5 per cent greater than in May, 1933. Bank debits increased slightly in contrast with the average May decline and were 20 per cent above the same month of last year. Industrial power consumption in April gained 16 per cent from March and 43 per cent from April, 1933. The value of construction contracts awarded increased in April from March, following the March decline.

TOLEDO

The 5 per cent increase in employment in May from April was in contrast with an average May decline of 2 per cent. The May total was 64 per cent above the total for May, 1933, while the total for the first five months of this year has averaged 64 per cent above the same period of last year. The 3 per cent increase in new passenger-automobile sales in May from April was in line with the average May increase, but total May sales gained 82 per cent from May, 1933, and for the year to date were 110 per cent above the corresponding period of last year. The 11 per cent decline in bank debits from April was slightly greater than the average May decline, but the total dollar volume for the month was 36 per cent above May, 1933. Industrial power consumption in April gained 7 per cent from March, and for the first four months of 1934 averaged 28 per cent above the same period of last year.

YOUNGSTOWN

May employment gained 9 per cent from April and 35 per cent from May, 1933. The bulk of the gain is attributable to increases in manufacturing employment. The 3 per cent increase in new passenger-car sales was in contrast with an average May decline of 2 per cent, and the total volume for the month gained 39 per cent from the same month of last year. Bank debits declined slightly more than average but were 46 per cent above May, 1933. and for the first five months of this year have averaged 47 per cent above the corresponding period of last year. Building occupancy gained fractionally in April from March and was 4.6 per cent above April, 1933. The value of construction contracts awarded gained during May.

CANTON (Stark County)

Total employment gained 1 per cent in May from April due to gains in non-manufacturing and construction employment. All types of employment showed substantial gains from the same month of last year. New passenger-car sales gained 2 per cent from April and 86 per cent from May, 1933, while the sales for the year to date are 141 per cent above the corresponding period of last year. Bank debits increased slightly from April in contrast with an average May decline and continued to be well above the corresponding month of last year. Building occupancy in April increased 1 per cent from March and 5 per cent from April, 1933.

OTHER THAN EIGHT CHIEF CITIES

In the State outside the eight chief cities, employment increased 2 per cent in May from April and 41 per cent from May, 1933. New passenger-car sales increased 1 per cent as compared with an average May decline of 3 per cent, and the total sales for the month gained 46 per cent from May, 1933. The value of construction contracts awarded declined in April.

Recent Workmen's Compensation Experience in Ohio

By LOUIS LEVINE

DURING the four years ending December, 1933, disbursements from the workmen's compensation fund of the State exceeded receipts in each year. Receipts reached their highest point in 1929 and then declined steadily through 1932, in which year receipts were only about 52 per cent of the 1929 total. Disbursements, however, continued to increase for two years after the decline in receipts began, and in 1931 disbursements were 4.8 per cent greater than in 1929. Although disbursements declined in both 1932 and 1933, disbursements exceeded receipts by $5,956,000 in 1932, and by $3,267,000 in 1933.

TABLE VI
STATE FUND RECEIPTS AND DISBURSEMENTS, 1925 TO 1933
(In Thousands of Dollars)
Based on Annual Reports of the Auditor of State)

Year*	Receipts			Disbursements	Excess or Deficit	Percentage Change from Previous Year	
	Total	Premiums	Interest			Receipts	Disbursements
1925**	$13,652	$10,965	$ 2,687	$11,250	+$2,402	—	—
1926**	15,440	12,676	2,764	12,698	+ 2,742	+13.1	+12.9
1927**	15,392	12,612	2,780	13,356	+ 2,036	— 0.3	+ 5.2
1928	15,118	12,172	2,946	14,236	+ 882	— 1.8	+ 6.6
1929	17,249	14,340	2,909	16,650	+ 599	+14.1	+17.0
1930	14,460	11,629	2,831	16,938	— 2,478	—16.2	+ 1.7
1931	12,636	10,096	2,540	17,458	— 4,822	—12.6	+ 3.1
1932	9,284	7,161	2,123	15,240	— 5,956	—26.5	—12.7
1933	10,036	8,455	1,581	13,303	— 3,267	+ 8.1	—12.7

* Year ending December 31.
** Year ending June 30.

The decrease in receipts since 1929 is primarily due to (1) the decrease in the number of employees, (2) the reduction in the wages paid to employees, and (3) an increase in the number of employers who seek to evade the compensation law. Since 1929, payrolls have declined more rapidly than has employment. At the end of 1931, employment had declined 24.1 per cent from 1929, and payrolls, 35.1 per cent; by the end of 1932, employment had declined 36 per cent, and payrolls, 53.3 per cent. The more rapid decline in payrolls than in employment has caused a rapid decline in premium income, which is largely based on payrolls. Since employment has not dropped in the same proportion, compensation disbursements have not dropped so rapidly.

TABLE VII
EMPLOYMENT AND PAYROLLS IN OHIO, 1925 TO 1932*

Year	Number Employed	Total Payrolls (Thousands)	Percentage Change from Previous Year		Percentage Change from 1929	
			Employment	Payrolls	Employment	Payrolls
1925	1,157,504	$1,785,727	+ 5.7	+ 7.5	—11.4	—13.3
1926	1,210,848	1,860,081	+ 4.6	+ 4.2	— 7.3	— 9.7
1927	1,193,918	1,858,141	— 1.4	— 0.1	— 8.6	— 9.8
1928	1,218,600	1,919,829	+ 2.1	+ 3.3	— 6.7	— 6.8
1929	1,306,446	2,060,073	+ 7.2	+ 7.3	—	—
1930	1,161,734	1,740,160	—11.1	—15.5	—11.1	—15.5
1931	991,096	1,337,314	—14.7	—23.1	—24.1	—35.1
1932	836,211	961,318	—15.6	—28.1	—36.0	—53.3

* Howard G. Brunsman, *Employment and Payroll Fluctuations in Ohio, 1926-32*, Bureau of Business Research study at Ohio State University, 1934, pp. 5-6. These data, which include mines and quarries, are based on the reports of a varying number of concerns to the Ohio Division of Labor Statistics.

Evasion of the compensation law by employers, as seen in the statistics of receipts and disbursements in the non-coverage cases or in Section 27 claims, accounts to some extent for the decline in the premium income.

TABLE VIII
RECEIPTS AND DISBURSEMENTS IN SECTION 27 CASES, 1928 TO 1933
Based on Annual Reports of the Auditor of State

Year	Receipts	Disbursements	Deficit	Percentage Change from Previous Year	
				Receipts	Disbursements
1928	$ 3,867	$ 58,172	$ 54,305	—	—
1929	4,634	84,351	79,717	+19.8	+45.0
1930	8,288	124,019	115,731	+78.9	+47.0
1931	12,909	141,613	128,704	+55.8	+14.2
1932	8,013	106,990	98,977	—37.9	—24.4
1933	9,380	91,819	82,439	+17.1	—14.2

The number of claims receiving compensation has decreased steadily since 1928-29, but the total amount of compensation paid has increased steadily each year. Thus 68,041 claims in 1929 were paid a total of $10,078,933 compensation, while 43,709 claims in 1931-32 were paid a total of $12,230,782 compensation. The increase in compensation payments, while the number of claims has steadily declined, is largely attributable to (1) increased malingering by claimants, (2) prolongation of cases among physicians and hospitals, and (3) increased liberality in the legislature and judiciary.

TABLE IX
NUMBER OF CLAIMS FILED AND THE COMPENSATION DISBURSEMENTS IN OHIO FROM 1922 TO 1932

Year	Claims*	Compensation**
1922-23	54,575	$ 5,236,596
1923-24	58,354	6,659,047
1924-25	55,462	7,974,791
1925-26	63,516	8,758,205
1926-27	65,396	9,265,486
1927-28	59,753	9,596,215
1928-29	68,041	10,078,933
1929-30	62,775	11,491,908
1930-31	50,918	11,876,277
1931-32	43,709	12,230,782

* The above claims are those resulting from industrial injury, involving a disability of more than seven days. They are exclusive of occupational disease claims.

** Data derived from statistics furnished by the Chief Actuary of the Fund to the Ohio State Medical Association. See the *Ohio State Medical Journal*, xxviii, 659-67.

A further reason why disbursements have remained high while receipts and employment were falling is the increased medical and hospital cost per claim since 1929. Although total claims, and medical claims only, both declined rapidly after 1929, the medical expense to physicians remained almost as high as in 1929, and the hospital and nursing expense increased. The total physicians expense per claim in 1929 amounted to only about $20, while in 1931-32 the average per claim had increased to almost $30.

TABLE X
NUMBER OF CLAIMS FILED IN OHIO AND DISBURSEMENTS FOR MEDICAL, HOSPITAL, AND NURSING SERVICES FROM 1922 TO 1932**

Year	Medical Only Claims	Total Claims*	Medical Expense (Physicians)	Hospitals and Nurses Expense
1922-23	121,050	176,427	$1,604,424	$ 427,646
1923-24	122,323	181,610	2,198,358	614,428
1924-25	123,299	179,645	2,268,778	700,069
1925-26	142,551	207,103	2,568,797	780,172
1926-27	152,411	218,862	2,813,555	874,551
1927-28	146,361	207,184	2,935,419	1,060,708
1928-29	170,141	239,441	3,074,752	1,258,579
1929-30	179,335	243,341	3,682,181	1,433,332
1930-31	132,911	185,075	3,390,547	1,500,929
1931-32	108,179	152,954	3,208,673	1,524,599

* This column includes compensation and occupational disease claims as well as "medical only" claims.

** See footnote to Table IX.